

Calculation of Overall Bond Rating for Comparables Group

Company	Bond Rating (1)	Weight (2)	LT Debt (Millions) (3)	Weight*Debt
AGL Resources**	Baa2/A-	7	\$1,018	\$7,123
ATMOS Energy	A3/A-	6	\$676	\$4,055
Cascade Natural Gas	Baa1/BBB+	7	\$165	\$1,155
Laclede Group**	A3/A+	5	\$260	\$1,298
NICOR	Aa2/AA	2	\$396	\$792
Northwest Natural Gas	A2/A	5	\$416	\$2,081
Peoples Energy	A3/A-	6	\$644	\$3,864
Piedmont Natural Gas	A2/A	5	\$509	\$2,545
<u>WGL Holdings</u>	<u>Aa3/AA-</u>	<u>3</u>	<u>\$630</u>	<u>\$1,889</u>
			\$4,713	\$24,800
Simple Average Rating		5.1		
Weighted Average Rating (4)				5.3

Note: For companies denoted with an "***", Moody's and S&P ratings are not equivalent, and an "average" rating is used.

Sources:

- (1) Source: Excel Historical Wizard, Bloomberg (Moody's and Standard & Poor's ratings)
- (2) Value Line Investment Survey, Individual Company Reports, September 20, 2002
- (3) Individual Company 10-K Reports

<u>Bond Rating</u>	<u>Weight</u>	<u>Percent</u>
Aaa	0	0.0%
Aa1	1	12.5%
Aa2	2	25.0%
Aa3	3	37.5%
A1	4	50.0%
A2	5	62.5%
A3	6	75.0%
Baa1	7	87.5%
Baa2	8	100.0%
<u>Baa3</u>	<u>9</u>	112.5%
Net Percent Weighting:		65.8%